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Washington, D.C. 20549

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ANNUAL AUDITED REPORT FORM X-17A-5

PART III

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AUG 2 9 2006

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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Cherry 1990.

EPORT FOR THE PERIOD BEGINNING July 1, 2005 AND ENDING June 30, 2006				
	MM/DD/YY		MM/DD/YY	
	A. REGISTRANT IDENTIFICAT	TION		
NAME OF BROKER-DEALER: (	Chapdelaine Corporate Securi	lties & Co.	OFFICIAL USE ONLY	
ADDRESS OF PRINCIPAL PLACE	OF BUSINESS: (Do not use P.O. Box N	lo.)	FIRM I.D. NO.	
	199 Water Street			
	(No. and Street)			
New York	New York	100	)38	
(City)	(State)	(Zip	Code)	
NAME AND TELEPHONE NUMBE Teresa O'Leary	R OF PERSON TO CONTACT IN REGA		RT 12-209-9130	
		(A:	rea Code – Telephone Number	
I	B. ACCOUNTANT IDENTIFICAT	ΓΙΟΝ		
INDEPENDENT PUBLIC ACCOUN	TANT whose opinion is contained in this	s Report*		
	Louis Sternbach & Compa	•		
	(Name - if individual, state last, first, n	niddle name)		
1333 Broadway	New York	New York	10018	
(Address)	(City)	(State)	(Zip Code)	
CHECK ONE:				
Certified Public Accou	entant	_	<b>.</b>	
<ul> <li>□ Public Accountant</li> <li>□ Accountant not resident in United States or any of its possessions.</li> </ul>		P	PROCESSED SEP 1 1 2006	
		ns.		
FOR OFFICIAL USE ONLY			THOMSON	
		J	FINANCIAL	

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1410 (06-02)

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#### OATH OR AFFIRMATION

Ι, _	Michael E. Walsh	, swear (or affirm) that, to the best of			
		tement and supporting schedules pertaining to the firm of			
Í	Chapdelaine Corporate Securities &				
of	June 30	20 06 , are true and correct. I further swear (or affirm) that			
nei	ther the company nor any partner, proprietor, princip	al officer or director has any proprietary interest in any account			
	ssified solely as that of a customer, except as follows:				
Cla	ssilled solely as that of a customer, except as follows.				
_					
		Milale			
		Signature PAGS (1) ENT			
		Pa = 3 = 1 =			
	TERESA C	D'LEARY			
	Notary Public, Sta	ate of New York			
_	No. 02-OL Notary Public Qualified in Na	5013969 ssau County			
	Term Expires Sep				
Th	is report ** contains (check all applicable boxes):				
X	(a) Facing Page.				
XI	(b) Statement of Financial Condition.				
	(c) Statement of Income (Loss).				
	(d) Statement of Changes in Financial Condition.  (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.				
Ø					
$\nabla$	•				
	•				
X		tion of the Computation of Net Capital Under Rule 15c3-3 and the			
	Computation for Determination of the Reserve I				
ш	(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.				
₩	(l) An Oath or Affirmation.				
	(m) A copy of the SIPC Supplemental Report.				
$\bar{\Box}$		and to exist or found to have existed since the date of the previous audit.			
**	For conditions of confidential treatment of certain po	tions of this filing, see section 240.17a-5(e)(3).			

# CHAPDELAINE CORPORATE SECURITIES & CO. FINANCIAL STATEMENT AS OF JUNE 30, 2006

#### Louis Sternbach & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

#### Independent Auditors' Report

To the Partners Chapdelaine Corporate Securities & Co.

We have audited the accompanying statement of financial condition of Chapdelaine Corporate Securities & Co. as of June 30, 2006 that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Chapdelaine Corporate Securities & Co. as of June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

August 15, 2006 New York, New York

## STATEMENT OF FINANCIAL CONDITION

## AS OF JUNE 30, 2006

#### **ASSETS**

Cash	\$16,351,372			
Receivable from brokers and dealers	12,953,332			
Prepaid expenses	400,993			
Other current assets	1,346,560			
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization of \$1,857,374	710,761			
Clearing deposits	1,976,788			
Investment in non-marketable securities	3,300			
Total Assets	<u>\$33,743,106</u>			
LIABILITIES AND PARTNERS' EQUITY				
LIABILITIES				
Payable to brokers and dealers	\$ 4,207,808			
Accounts payable, accrued expenses and other liabilities	16,257,685			
Total Liabilities	20,465,493			
COMMITMENTS AND CONTINGENT LIABILITIES				
Partners' equity	13,277,613			
Total Liabilities and Partners' Equity	\$33,743,106			

#### NOTES TO FINANCIAL STATEMENT

#### AS OF JUNE 30, 2006

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Chapdelaine Corporate Securities & Co. ("the Company") is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc.

The Company acts as principal in transactions, simultaneously executing purchases and sales with each counterparty, providing complete anonymity to both the buyer and seller. The Company's purchases and sales of securities are cleared through a clearing broker/dealer or are self-cleared.

The Company records commission revenue net of related expenses on a trade date basis.

Furniture, equipment and leasehold improvements are carried at cost. Depreciation of furniture and equipment is computed on either an accelerated or straight-line method over the estimated useful life of such assets. Leasehold improvements are amortized over the lesser of their economic lives or the remaining term of the lease.

As a partnership, the Company is not subject to Federal or State income taxes, but is subject to New York City Unincorporated Business Tax.

## NOTE 2 - NET CAPITAL REQUIREMENT

As a registered broker dealer and member of the National Association of Securities Dealers, Inc. the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule which requires that the Company maintain minimum net capital, as defined of 6-2/3% of aggregate indebtedness, as defined, or \$100,000 whichever is greater. At June 30, 2006 the Company had net capital of \$2,907,727, which exceeded the requirements by \$1,772,514.

## NOTE 3 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company is obligated under leases for its office space expiring at various times through December 31, 2010, which provide for minimum lease payments as follows:

## NOTES TO FINANCIAL STATEMENT

#### AS OF JUNE 30, 2006

## NOTE 3 - COMMITMENTS AND CONTINGENT LIABILITIES (continued)

YEAR ENDED	GROSS
JUNE 30,	<u>AMOUNT</u>
2006	\$1,106,540
2007	1,042,764
2008	1,010,610
2009	1,010,610
2010	1,010,610
2011	505,305
<u>Total</u>	<u>\$5,686,439</u>

Rent expense for the year ended June 30, 2006 totaled \$696,804.

The Company leases fixed assets under operating leases expiring at various times through March 2006. Minimum future payments under non-cancelable operating leases are:

YEAR ENDED  JUNE 30,	AMOUNT	
2006	\$17,832	
2007	3,102	
2008	1,692	
2009	1,692	
Total	\$24 <u>,318</u>	

The Company has an outstanding letter of credit with Wachovia Bank in the amount of \$750,000 issued in lieu of a clearing deposit. The letter of credit expires September 1, 2006 and may be extended from time to time.

Counsel has advised that there is no litigation of a material nature pending against the Company.

## NOTES TO FINANCIAL STATEMENT

#### AS OF JUNE 30, 2006

# NOTE 3 - COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Except as noted above, the Company has no other commitments or contingent liabilities, nor any off-balance sheet risk.

## NOTE 4 - FAIR VALUE

The carrying amounts reflected in the statement of financial condition for cash and bank loan payable approximate their respective fair values due to the short maturities of the instruments. The fair value for marketable securities is based primarily on quoted market prices for those or similar instruments.

## NOTE 5 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.